United Nations A/62/274

General Assembly

Distr.: General
17 August 2007

Original: English

Sixty-second session
Items 119, 130, 135 and 142 of the provisional agenda*

United Nations reform: measures and proposals

Proposed programme budget for the biennium 2008-2009

Human resources management

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Detailed proposals for streamlining United Nations contractual arrangements

Report of the Secretary-General**

Summary

The present report is submitted in response to the requests of the General Assembly in its resolution 61/244, section VI, paragraphs 4 and 5. The report also addresses the observations of the International Civil Service Commission on proposed contractual arrangements. In order to facilitate a review of the issues, the report fully incorporates the substance of A/61/857 on the same topic, includes additional elements arising from subsequent consultations with staff representatives and addresses requests from the Advisory Committee on Administrative and Budgetary Questions and the General Assembly.

* A/62/150.

** The submission of the report was delayed because of the need to verify data.

07-46310 (E) 110907

I. Background

1. In his report entitled "Investing in people" (A/61/255 and Add.1 and Add.1/Corr.1), the Secretary-General presented the details of a new human resources framework, based on the principles of flexibility, clear ethical standards, equitable treatment of staff, simplicity, transparency and accountability, with an emphasis on the need to integrate Headquarters and field staff into one global Secretariat.

2. An essential component of the new human resources framework is the Secretary-General's proposal to streamline contractual arrangements by introducing one United Nations staff contract, which would govern the terms of employment for all United Nations Secretariat staff, and by providing for three types of appointment — temporary, fixed-term and continuing. This proposal builds on previous proposals of the Secretary-General to simplify contractual arrangements[1] and takes into account the framework for contractual arrangements in the organizations of the United Nations common system adopted by the International Civil Service Commission.[2]

3. The proposal is intended to adapt contractual arrangements to the changing operational needs of the Organization, in order to promote equality of treatment for all Secretariat staff and to respond more effectively to new and increasingly complex mandates. The streamlining of contractual arrangements constitutes a cornerstone of the Secretary-General's comprehensive human resources management reforms. It provides the basis for building an integrated Secretariat with conditions of service that offer increased job security and equity of treatment of staff. Along with the implementation of other human resource reform initiatives, such as greater organizational mobility, harmonization of conditions of service and the establishment of 2,500 civilian career peacekeeping positions, the streamlining of contractual arrangements will considerably strengthen the Organization's ability to recruit and retain staff of high calibre to meet existing and evolving human resource requirements.

4. In its resolution 61/244, the General Assembly requested the Secretary-General to address the conclusions and recommendations related to this subject contained in the report of the Advisory Committee on Administrative and Budgetary Questions on human resources management[3] and to present a detailed road map on the implementation of the proposed contractual arrangements, including on eligibility criteria.

5. The General Assembly also requested the International Civil Service Commission to consider the proposals of the Secretary-General, in particular the proposal to introduce one United Nations staff contract under one set of Staff Rules, and to report to it thereon at the second part of its resumed sixty-first session. The Commission considered the Secretary-General's proposals in March 2007 and issued its observations in an addendum to its report for 2006.[4]

---

[1] See A/55/253 and Corr.1 and A/59/263/Add.1.

[2] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 30* and corrigendum (A/60/30 and Corr.1), annex IV.

[3] A/61/537, paras. 49-56.

[4] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1).

6. In April 2007, the Secretary-General submitted to the Assembly his report "Streamlining United Nations contractual arrangements".[5] The report summarized the rationale for the proposals to streamline contractual arrangements under one set of Staff Rules, with three types of appointments. The report also addressed certain conclusions of the Advisory Committee on Administrative and Budgetary Questions and the International Civil Service Commission, while noting that other aspects of the Commission's observations required further examination in consultation with United Nations staff and that those consultations would be undertaken in the context of the Staff-Management Coordination Committee. That Committee is the Secretariat-wide joint mechanism established by the Secretary-General, in accordance with the Staff Regulations and Rules, to advise him regarding issues of staff welfare, conditions of work and other Organization-wide personnel policies, and it is the highest level of formal consultation between the staff and the management of the United Nations.

7. The Staff-Management Coordination Committee convened its twenty-eighth session from 25 June to 4 July 2007. The session was attended by management representatives from all major duty stations and staff representatives from the Economic Commission for Africa, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Latin America and the Caribbean, the Field Staff Union, the United Nations Office at Geneva, the United Nations Office at Nairobi, the United Nations Office at Vienna, the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia, the United Nations Children's Fund, the Office of the United Nations High Commissioner for Refugees and the United Nations University.

8. The Staff-Management Coordination Committee affirmed its support for the proposals to streamline contractual arrangements as set out in the Secretary-General's report (A/61/255) and recommended further clarifications and adjustments. The Secretary-General agreed with the recommendations and endorsed the agreements of the Committee on streamlining contractual arrangements, which were consistent with the principles underlying his proposals and were necessary to achieve the objectives of contractual reform.

9. In order to address the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions and the International Civil Service Commission and to facilitate a review of the issues, the present report fully incorporates the substance of A/61/857 and includes additional elements arising from the consultations with staff representatives in the Staff-Management Coordination Committee. The report responds to the observations of the Commission and the Advisory Committee and presents additional information requested by the Advisory Committee and the General Assembly.

10. The separately administered funds and programmes will continue to have flexibility in the implementation of the new contractual arrangements in respect of their own staff, taking into account their respective operational needs.

[5] A/61/857.

II. Streamlining contractual arrangements under one set of Staff Rules

11. At present, the contractual framework used by the United Nations provides for many different types of appointment under three series of Staff Rules: the 100, 200 and 300 series. In section VI of its resolution 61/244, the General Assembly stressed the need for rationalization of the current United Nations system of contractual arrangements, which lacked transparency and was complex to administer. It also noted that the system did not fully comply with the framework proposed by the International Civil Service Commission.

12. Initially, all staff served under one set of Staff Rules, now known as the 100 series. The first edition of the Staff Rules came into effect on 1 July 1948. The 200 series was introduced in 1954 for specialist personnel working on technical assistance projects, followed by the 300 series in 1955 to cover staff specifically engaged on short-term appointments for conferences and other short-term service at Headquarters. The 400 series was introduced in 1955, applicable to dispatchers and guides in the Visitors Service at Headquarters. In 1978, the 400 series was abolished and dispatchers and guides were subsequently covered by the 100 series. The 300 series was expanded in 1994 to include appointments of limited duration for the recruitment of non-career staff in peacekeeping, peacebuilding and humanitarian missions, technical cooperation in the field and emergency situations. Staff recruited under 300-series appointments of limited duration serve for up to three years, with a possible exceptional extension for a fourth and final year.

13. In developing the new human resources framework, a comprehensive review of the United Nations contractual arrangements was undertaken to examine whether they still met the Organization's operational needs. In the light of accumulated experience, it was determined that the 200 and 300 series no longer serve the purposes for which they were originally introduced. The 200 series was introduced to accommodate the special needs of technical cooperation projects, many of which were expected to be of short or medium duration, and were funded through extrabudgetary sources. However, there is no longer a clear linkage between the nature and duration of functions and the mode of financing. The exponential growth of extrabudgetary funding in the Secretariat for core activities has now led to an increase in 200-series appointments for staff in a variety of functions, many of whom now discharge core functions and serve at established duty stations and field offices, often side by side with 100-series staff members. There are no formal recruitment procedures to ensure an open and competitive process, nor are there any clear means of career advancement for 200-series staff, some of whom have been in service for extended periods and are "reclassified" through informal processes. Moreover, there are limitations on the use of the experience of 200-series staff in other positions of the Secretariat.

14. Appointments of limited duration under the 300 series no longer meet the intended purpose of facilitating rapid recruitment and streamlining the administration of staff. Over the years, safeguards have increasingly been introduced to ensure transparency and competitiveness in the recruitment process and consistency in the application of recruitment standards and procedures (the only difference being a review by a joint advisory body). Administering the compensation package has become increasingly complex as a result of improvements introduced to meet legitimate staff concerns and needs. Moreover,

since appointments of limited duration do not provide adequate compensation or career prospects, their continued use has hindered the ability of the Organization to attract and retain the skilled experts, leaders and managers that are needed in large, multidimensional peace operations.

15. Given the serious shortcomings of the existing system, and in order to introduce a system that would assist the United Nations in fulfilling its mandate and provide greater simplicity, clarity, transparency and fairness for all concerned, the Secretary-General has proposed to streamline the three series of Staff Rules into a single series.

16. A single series of Staff Rules would also promote the equitable treatment of staff members by ensuring that their conditions of service are governed by the same criteria. The multiplicity of contractual arrangements creates different categories of staff members. At established duty stations and in the field, staff serving side by side and performing the same functions for comparable periods of time receive different entitlements depending on the series of Staff Rules under which they were appointed. Such a situation fosters a sense of inequality and undermines staff morale, making it difficult to attract and retain staff.

17. Finally, introducing one set of Staff Rules would simplify the contractual framework, thereby making it easier and more cost-efficient to administer, and more transparent for staff members. Maintaining multiple and complicated contractual arrangements creates difficulties in administration and has significant potential for administrative error, as it requires an in-depth knowledge of the various sets of Staff Rules and of the differences between them. Simplified contractual arrangements would also greatly facilitate the development and implementation of the upcoming enterprise resource planning system.

Observations by the International Civil Service Commission

18. In its recent review of the Secretary-General's proposals, the International Civil Service Commission welcomed the efforts of the Secretary-General to streamline contractual arrangements,[6] an essential part of which is the introduction of a single set of Staff Rules. When examining conditions of service in the field, the Commission recognized that appointments of limited duration no longer meet the needs of the Organization, limit management's flexibility to retain staff and are no longer simpler to administer. Moreover, the compensation offered is not competitive with that offered in other common-system organizations, which inhibits recruitment and adversely affects morale. Accordingly, the Commission recommended that the 300-series appointment of limited duration be phased out in non-family duty stations in favour of the fixed-term contract as defined in the Commission's contractual framework.[7] The Secretary-General's proposal to streamline contractual arrangements under one set of Staff Rules is consistent with the Commission's recommendation to phase out the use of 300-series appointments of limited duration.

---

[6] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), paras. 3 and 4.

[7] Ibid., para. 41, and A/61/861, para. 10.

III. Streamlining contractual arrangements by reducing types of appointment

19. Under the current contractual arrangements, which the General Assembly has found to be overly complex and inconsistent with the International Civil Service Commission's contractual framework,[8] a multiplicity of appointments are possible. There are probationary, fixed-term, indefinite and permanent appointments under the 100 series; short-term, intermediate and long-term appointments under the 200 series; and short-term and limited-duration appointments under the 300 series.

20. As noted above, streamlining contractual arrangements is necessary to meet operational needs, to remove barriers to mobility, to promote equity and transparency and to make contractual arrangements easier to administer and more transparent for staff members. In order to achieve those objectives, another essential element of streamlining contractual arrangements is reducing the types of appointment to three.

21. The Secretary-General proposes that under one set of Staff Rules, the duration of appointment would be determined in accordance with the operational needs of the Organization. The following three types of appointments would be used for all Secretariat functions, departments, duty stations and field missions:

(a) A temporary appointment, which would cover up to a maximum period of one year (or up to two years to meet surge needs in the field), for staff appointed to meet seasonal or peak workloads and specific short-term requirements;

(b) A fixed-term appointment, which could be renewed or extended to cover a maximum period of five years;

(c) A continuing appointment, which would be open-ended.

22. The Secretary-General's proposal to reduce the number of types of appointment to three is designed in conformity with the International Civil Service Commission's framework for contractual arrangements, which also provides for appointments of the durations set out above.

23. Staff members entering the Organization would be offered either a temporary or a fixed-term appointment. Staff members with five years of continuous service with the Organization would be eligible for consideration for a continuing appointment.

24. With the introduction of continuing appointments, permanent appointments would no longer be offered. The change would not affect staff who currently held permanent appointments, or the acquired rights of staff who, by the time the change became effective, would have the right under existing rules to be considered for permanent appointments. The introduction of continuing appointments, which would allow for termination on the same grounds as permanent appointments, as well as in the interest of the good administration of the Organization, would provide a mechanism for the Organization to grant career appointments to long-serving staff who have demonstrated the highest standards of efficiency, competence and integrity, while at the same time ensuring that the Organization can adjust its workforce in accordance with changing needs, functions and mandates or the

[8] Resolution 61/244, sect. VI.

reorientation of its programmes. The introduction of continuing appointments would also considerably reduce the current administrative burden of processing thousands of renewals of fixed-term appointments when they reach their expiration dates.

25. In A/61/857, the Secretary-General indicated that the details on the three types of appointment will be presented to the General Assembly. Those details are elaborated below, together with the Secretary-General's response to the observations of the International Civil Service Commission on each type of appointment.

Temporary appointments

26. The Secretary-General proposes that temporary appointments be used to appoint staff for seasonal or peak workloads and specific short-term requirements, for a maximum period of one year. For staff appointed to respond to surge requirements in the field, temporary appointments could be given to cover a total duration of up to two years. The Secretary-General considers that this proposal is consistent with the International Civil Service Commission's framework, which provides that temporary appointments would be granted to accommodate the defined, short-term needs of the Organization of less than one year, or for a longer period in the case of short-term service of limited duration with special missions, projects of limited duration and special operations for humanitarian assistance.

27. The Commission noted that

> to operate within the ICSC framework, the Secretary-General should use the fixed-term appointment with a two-year limit or make the appointment temporary for not more than one year, with a subsequent renewal if necessary. The Staff Rules should more clearly define the conditions that must be met for renewal of a temporary appointment. Generally, if it is known in advance that the need for services will extend beyond one year, the fixed-term appointment would be the appropriate choice.[9]

Staff given temporary appointments of less than one year would not be subject to a probationary period.[10] The Secretary-General agrees with these observations of the Commission and concurs that temporary appointments would be granted for up to one year at a time, to be renewed for up to an additional year in the field where warranted by operational needs.

Fixed-term appointments

28. The Secretary-General proposes that fixed-term appointments for a period of one year or more could be granted to staff. Fixed-term appointments could be renewed or extended to cover a maximum period of five years. Staff entering the Organization would be subject to a probationary period during their first year of service with the Organization. The Secretary-General considers that this proposal is consistent with the International Civil Service Commission framework, which provides for fixed-term appointments for a duration of at least one year and for a

[9] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), para. 18.

[10] Ibid., para. 19.

period of up to five years.[11] Under the framework, the probationary period may range from six months to two years.

Limitations on fixed-term appointments

29. In A/61/255, the Secretary-General also proposed that, depending on the needs of the Organization, fixed-term appointments could be limited to particular projects or missions, as is currently the case, in order to avoid the creation of undue expectations of long-term employment, particularly where the mandate is clearly finite.[12] The International Civil Service Commission was of the view that the current mission-specific contract does not provide the flexibility needed to move staff among field duty stations and does not respond to the need for a global workforce. The Commission also noted that the 100-series mission-specific contract offers substantially less compensation than that paid under 100-series contracts in other organizations of the common system. In the view of the Commission, the mission-specific contract was not in line with the Commission's framework, as it would create additional types of appointments, resulting in five rather than three types of contract.[13] The Secretary-General wishes to clarify that his proposal was intended to address the need for fiscal prudence when employing staff for projects and missions with clearly finite mandates.

30. However, taking into account the concerns expressed by the International Civil Service Commission, the Secretary-General has endorsed the recommendation of the Staff-Management Coordination Committee that the contracts of international staff serving in United Nations peace operations no longer carry a limitation for service to a specific mission in order to facilitate his efforts to assign staff to meet evolving operational requirements.

Extension of fixed-term appointments beyond five years

31. In A/61/255, the Secretary-General proposed that the maximum duration of fixed-term appointments would be five years, since it was envisaged that all staff members who had completed five years of continuous service would be considered for continuing appointments; if a staff member's services were no longer needed or if he or she failed to meet the applicable standards, the staff member would be separated at the end of the five-year fixed-term appointment. The International Civil Service Commission considered that the maximum limitation of five years on a fixed-term appointment reduces management's flexibility to assign staff in accordance with the needs of the Organization.[14]

32. With respect to peacekeeping, the Secretary-General recognizes that beyond the identified baseline need for 2,500 international career staff in peace operations, as discussed below in paragraph 46, the type of function and numbers of staff needed depend on evolving operational requirements, making it necessary to exercise fiscal prudence when appointing staff for service in missions or projects. However, it is also necessary to address the difficulties experienced by the

[11] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 30*, and corrigendum (A/60/30 and Corr.1), annex IV, para. 13.

[12] A/61/255, para. 244.

[13] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), paras. 5-7.

[14] Ibid., para. 15.

Organization in recruiting and retaining staff for United Nations peace operations. Conditions of service — in particular, job security — constitute the main challenges to retaining skilled, experienced and qualified civilian staff.

33. The Secretary-General therefore proposes that international staff in United Nations peace operations who are not part of the 2,500 international career staff in peace operations and who demonstrate the highest standards of efficiency, competence and integrity should normally be granted extensions of fixed-term appointments of up to two years that would not be limited to service at any particular mission, to meet the identified operational requirements of United Nations peace operations, and could remain on fixed-term appointments as long as their services are needed.

34. Additionally, extensions of fixed-term appointments beyond five years could be permitted in other cases when a brief extension, not to exceed one year, is in the interest of the Organization and the staff member.

35. With regard to the International Civil Service Commission's concern that limiting fixed-term appointments to a maximum duration of five years could create difficulties for the funds and programmes,[15] the Secretary-General notes that the funds and programmes would have the necessary flexibility to extend fixed-term appointments beyond five years in accordance with their operational mandates.

Continuing appointments

36. The Secretary-General proposes that staff with five years of continuous service in the Organization would be considered for a continuing appointment, which would be granted if there were a continuing need for the services of the staff member in the same department or elsewhere in the Organization and if the staff member had demonstrated the highest standards of efficiency, competence and integrity, as documented by his or her performance evaluations. A continuing appointment would be open-ended. The probationary period would not apply to staff members on a continuing appointment, since the five years of service completed by staff members prior to acquiring a continuing appointment would serve as a sufficient basis to evaluate their performance. The Secretary-General considers that this proposal is consistent with the International Civil Service Commission framework, which provides that continuing appointments are open-ended and that continuity of service will be based on criteria such as organizational interests, fully meeting performance expectations and upholding the standards of conduct.

Consideration for continuing appointments

37. The International Civil Service Commission was of the view that the Secretary-General's proposal on continuing appointments would be

> tantamount to automatic conversion, because there is no competition, no limit on the number of conversions and essentially everyone would meet the criteria for conversion. Every staff member will have an expectation of conversion to a continuing appointment after five years of service and satisfactory performance ratings.[16]

---

[15] Ibid.

[16] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), para. 9.

38. The Staff-Management Coordination Committee reviewed the Secretary-General's proposals together with the International Civil Service Commission's observations and agreed that his proposals were in line with the Commission's framework for contractual arrangements, which stated that "appointment to a continuing contract is acquired through open and transparent selection procedures in accordance with the organization's staff regulations and rules".[17] In its report, the Staff-Management Coordination Committee expressed the view that the Commission's concern regarding the need for competition in granting continuing appointments would already be addressed by the Organization's competitive staff selection policies, at the point of recruitment or when moving to another post within the Organization. All posts are advertised and subject to a rigorous selection process, including a variety of evaluation criteria and assessment mechanisms. In addition, all staff are subject to annual performance evaluations.

39. As for the eligibility criteria for granting continuing appointments, the Secretary-General considers that five years of continuous service with the Organization would serve only to establish that the staff member is eligible for consideration for a continuing appointment and would not confer a right to automatic conversion. Before the staff member could receive a continuing appointment, two further criteria must also be satisfied: (a) that there is a continuing need for the services of the staff member in the same department or elsewhere in the Organization and (b) that the staff member has demonstrated the highest standards of efficiency, competence and integrity, as documented by his or her performance evaluations.

40. In its resolution 61/244, the General Assembly requested the Secretary-General to provide further details on eligibility criteria for continuing appointments. The Secretary-General considers that the two proposed criteria provide the critical elements that need to be examined when considering staff for continuing appointments and that those criteria, rigorously applied, would ensure that continuing appointments would not be granted on an automatic basis, but on the basis of organizational needs and performance. This view was shared by the Staff-Management Coordination Committee. However, the Secretary-General believes that it could be useful to further elaborate on how the two criteria would be applied, along the lines recommended by the Committee. When applying the criterion of "continuing need", programme managers and the Office of Human Resources Management, Department of Management, would consider whether the services of the staff member would be required by the Organization in the foreseeable future. With regard to the criterion of "highest standards", it would be incumbent on the programme manager and the Office of Human Resources Management to undertake a thorough review of the staff member's performance, including examination of his or her file and performance evaluations. The staff member should have received fully successful performance ratings for four years of United Nations service, and should not have been subject to a disciplinary measure.

41. The Staff-Management Coordination Committee supported the Secretary-General's proposal that staff members eligible for consideration for a continuing appointment would be reviewed by the department or office concerned, by the

[17] Ibid., *Sixtieth Session, Supplement No. 30* and corrigendum (A/60/30 and Corr.1), annex IV, para. 10.

Office of Human Resources Management and, for local staff, by the local human resources office, and approved by the Office of Human Resources Management. In the absence of agreement, or if a continuing appointment was not recommended, the matter would be submitted to a central review body. The Staff-Management Coordination Committee considered that the procedure proposed by the Secretary-General provided adequate safeguards for staff members, while also ensuring that such staff members met the highest standards.

Limitations on continuing appointments

42. In A/61/255, the Secretary-General also proposed that, depending on the needs of the Organization, continuing contracts could be limited to particular projects or missions in order to avoid the creation of undue expectations of long-term employment, particularly where the mandate is clearly finite.[18]

43. The International Civil Service Commission did not agree with the concept contained in the Secretary-General's proposal that appointments could be limited to service in a specific peace operation or project in order to avoid expectations of long-term appointment, particularly when the mandate was clearly finite. The Commission's view was that in such cases, continuing appointments should not be granted.[19]

44. The Secretary-General recalls that according to the Commission's contractual framework, continuing contracts are "a tool to facilitate the strategic management of human resources for the attainment of their overall objectives".[20] Accordingly, he considers that it would be consistent with the framework for continuing contracts without limitations to be used in established offices of the global Secretariat, where the human resources requirements are normally stable in numbers and broad in functions. This recognized a continuing need for a global workforce to perform ongoing functions essential to the overall mandate of the Organization.

45. The Secretary-General recognizes that, unlike the established offices of the rest of the Secretariat, United Nations peace operations, which include peacekeeping operations and special political missions, have historically experienced increases and decreases in staffing requirements, reflecting the types and numbers of peace operations mandated by the Security Council.

46. By means of a thorough examination of the experience of the past decade and strategic human resources planning, the Department of Peacekeeping Operations identified the need for 2,500 international career staff in peace operations to meet baseline requirements in the medium term. The Secretary-General welcomes the support of the International Civil Service Commission[21] and the Staff-Management Coordination Committee for his proposal that those 2,500 staff should be eligible to be considered for a continuing appointment and could receive such an appointment, provided that they met the requirements of fully successful performance and had demonstrated the highest standards of efficiency, competence and integrity, as

[18] A/61/255, para. 244.

[19] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), paras. 5-6.

[20] Ibid., *Sixtieth Session, Supplement No. 30* and corrigendum (A/60/30 and Corr.1), annex IV, para. 1.

[21] Ibid., *Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), para. 6.

documented by their performance evaluations. The 2,500 international career staff in peace operations would be selected competitively[22] and have an obligation to demonstrate mobility and to rapidly deploy to meet operational requirements.

47. With respect to locally recruited mission staff of United Nations peace operations, the Secretary-General concurs with the recommendation of the Staff-Management Coordination Committee that the Organization has an obligation to offer both greater job security for the duration of a mission and to offer end-of-employment termination benefits that will enable locally recruited mission staff to be gainfully employed, or self-employed, when a mission withdraws. Thus, while most operations can be expected to have a closing date, locally recruited staff members whose services continue to be needed beyond five years of service and who meet the applicable standards would be eligible to receive a continuing appointment. They would receive termination indemnities commensurate with their length of appointment when their service ended, normally with the closure of the mission, thereby encouraging locally recruited staff to remain in their home country and to put to good use the skills and experience gained through service in the Organization. As it is not known when individual peace operations will end, it is not possible at this time to determine the actual costs of possible termination indemnities that would be payable from provisions for common staff costs of the affected peacekeeping missions.

48. The Secretary-General considers that it would not be consistent with the Organization's operational requirements and mobility policy to assess continuing need by reference to a particular mandate, function or post. Since a fundamental principle of the organizational mobility policy is that staff members are not tied to their posts, the characteristics of a particular post should not have a definitive impact on career prospects or job security. If all staff who work in projects or entities with finite mandates were to be ineligible for consideration for continuing appointments, staff would be unwilling to assume posts in projects or entities with finite mandates, thereby undermining the capacity for programme delivery. Accordingly, the Secretary-General considers that staff working on projects could be granted a continuing appointment, which would be without limitation, provided there is a continuing need for the services of the staff member in the same department or elsewhere in the Organization.

Expedited consideration for staff recruited through the national competitive examination

49. The International Civil Service Commission noted that the national competitive examination is a useful tool for selecting the best-qualified candidates from underrepresented Member States for career positions at the P-2 and P-3 levels. The Commission expressed concern that the contractual arrangements that would be offered to national competitive examination candidates, as proposed by the Secretary-General (fixed-term appointments with consideration for continuing appointment after five years), could lead to a decline in the rate of acceptance by national competitive examination candidates, and recommended instead that they be considered for a continuing appointment after two years.[23]

---

[22] A/61/850, para. 20.

[23] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), para. 12.

50. The Secretary-General emphasizes that one of the fundamental objectives of the proposal to streamline contractual arrangements is to enhance fairness and consistency in the treatment of staff, while also simplifying administration. He considers that it is important to avoid creating different categories of staff members, with different thresholds for consideration for the continuing appointment. Since staff members joining the Organization at higher levels through rigorous competitive processes, with many years of proven professional experience, would be required to serve five years before consideration for a continuing appointment, the same should apply for national competitive examination staff members, who have few or no years of professional experience before recruitment.

51. While acknowledging that the national competitive examination is an important recruitment tool, the Secretary-General maintains that, for the reasons set out above, there should be no change to the proposal to consider national competitive examination staff members for continuing appointments after five years of continuous service on fixed-term appointments with the Organization, in accordance with the requirement applicable to all other staff members recruited to the Organization through other competitive means. The Secretary-General welcomes the support of the Staff-Management Coordination Committee in this regard, and endorses its recommendation that under the new contractual framework, the Office of Human Resources Management, Department of Management, should carefully monitor the retention rates of staff members recruited through the national competitive examination to ensure that there are no adverse effects arising from the new contractual arrangements.

Termination of continuing appointments

52. In connection with terminations in the interest of the good administration of the Organization, the Advisory Committee requested the Secretary-General to clarify what opportunities for redress would be proposed under the new system.[24] The Secretary-General notes that the staff member concerned would be given the opportunity to review the recommendation and supporting documentation and to provide comments to the Assistant Secretary-General for Human Resources Management before a final decision was made. A decision by the Assistant Secretary-General for Human Resources Management to terminate a continuing appointment would constitute an administrative decision that is subject to appeal, pursuant to chapter XI of the Staff Rules. Under staff rule 111.2 (c) (i), a staff member may also request a suspension of action on the decision by writing to the Secretary of the Joint Appeals Board.

Treatment of continuing appointments held by non-Secretariat staff

53. The International Civil Service Commission expressed concern that if continuing contracts were granted by the United Nations only after five years of service on a fixed-term appointment, employment would not be attractive to staff serving in other organizations of the common system who are already on continuing appointments. It was of the view that such a situation could stifle mobility within the common system.[25] These observations appear to be premised on the assumption

[24] A/61/537, para. 54.

[25] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30*, addendum (A/61/30/Add.1), para. 13.

that staff members who have been granted a continuing appointment elsewhere in the common system would need to begin anew with a fixed-term appointment if they were recruited to serve in the Secretariat. At present, staff members who hold permanent appointments maintain that status when they are recruited from elsewhere in the common system to serve in the Secretariat. This practice would remain the same with respect to permanent and continuing appointments under the new system. There would therefore be no disincentive for staff members of the common system to accept an appointment in the Secretariat.

"Replacement" of permanent appointments in the future

54. The Advisory Committee noted that the "replacement" of permanent contracts, as discussed in the Secretary-General's proposal, should be understood as the "introduction" of continuing contracts and that it does not mean "replacing existing permanent contracts held by current staff members or ... denying those who might be eligible for a permanent contract the opportunity to obtain one".[26] The Secretary-General confirms this understanding of the Advisory Committee. The reference in the proposal to the "replacement" of permanent appointments with continuing appointments, instead of the "introduction" of continuing appointments, is made to emphasize that continuing appointments would not simply be created as a new category of appointments in addition to permanent appointments, but would be granted in the future instead of permanent appointments.

IV. Implementation timeline

55. The General Assembly, in its resolution 61/244, requested the Secretary-General to present a detailed road map on the implementation of the proposed contractual arrangements, including eligibility criteria. The eligibility criteria are set out in paragraphs 39 to 41 above.

56. The Secretary-General has identified the actions that will need to be taken within the 6-month and 12-month period following the General Assembly decision on the proposal to streamline contractual arrangements. For the purpose of clarity, the implementation timeline set out below is premised on the assumption that the General Assembly approves the Secretary-General's proposals to streamline contractual arrangements and the amendments to the Staff Regulations during the main part of its sixty-second session. The necessary amendments to staff regulations 4.5 and 9.1 and annex III to the Staff Regulations are set out in annex I to the present report. The references to specific dates below are therefore only illustrative:

(a) The new contractual framework would be introduced on 1 July 2008, and the amended Staff Regulations would come into effect on that date. The new Staff Rules would be issued and promulgated provisionally on 1 July 2008 and reported to the General Assembly. In accordance with staff regulation 12.4, the new Staff Rules, with any modifications and/or deletions by the General Assembly, would enter into full force and effect on 1 January 2009;

(b) For staff holding appointments under the 100, 200 and 300 series, the appointments would be reviewed and converted to appointments under the new Staff Rules, effective 1 July 2008, if their services were needed beyond that date. The

[26] A/61/537, para. 49.

duration of such appointments under the new Staff Rules will be either for the remainder of the original appointment held by the staff member or may be extended, as appropriate;

(c) In A/61/255, the Secretary-General indicated that staff members would be given consideration for permanent appointments if they had an acquired right under existing rules to be considered for permanent appointment by the time the change in the contractual framework became effective. Accordingly, all staff members who had accrued five years of continuous service as at 1 July 2008 would be eligible to be considered for conversion to permanent appointments. The evaluation of staff would be conducted on a priority basis between 1 July and 31 December 2008. Thereafter, staff who had accrued five years of continuous service after 1 July 2008 would be considered for a continuing appointment.

57. The Assembly asked the Secretary-General to address the request of the Advisory Committee on Administrative and Budgetary Questions[27] for a more complete analysis of the impact of the review of staff members with an acquired right to consideration for conversion to permanent appointments, including possible options to avoid exceeding the 70 per cent level mandated by the Assembly in its resolution 51/226, section V, paragraph 2. In that resolution, the Assembly requested the Secretary-General to make efforts to achieve the level of 70 per cent of permanent appointments in posts subject to geographical distribution.

58. As at 30 June 2007, the proportion of permanent appointments for posts subject to geographical distribution was 52.2 per cent (1,426 out of 2,730). Assuming that the new contractual arrangements will be introduced on 1 July 2008, it is estimated that the total number of staff in posts subject to geographical distribution who will have completed five years of continuous service as at that date will be 632. If all those staff were converted, then the proportion of staff in posts subject to geographical distribution with permanent appointments would be 75 per cent. However, considering that not all of those staff members will receive permanent appointments (since they will need to demonstrate that they have fulfilled the criteria set out in staff rule 104.13) and that the number of staff with permanent appointments will decrease as a result of retirements during the period from 1 July 2007 to 30 June 2008, it is anticipated that the total number of staff with permanent appointments in posts subject to geographical distribution will exceed 70 per cent by only a small margin, if at all.

V. Financial implications

59. The introduction of one United Nations staff contract would require the appointment of staff under a single set of Staff Rules that would offer benefits equivalent to those currently available under the current 100 series of the Staff Rules, with a simplified regime for staff appointed for six months or less. The introduction of one United Nations contract would result in no additional financial implications for the following categories of staff:

(a) Staff with appointments under the 100 series;

[27] A/61/537, para. 55.

(b) Staff with appointments under the 200 series, for whom the benefits are the same as those of 100-series staff;

(c) Staff on short-term appointments (not appointments of limited duration) under the 300 series appointed to serve for six months or less;

(d) Locally recruited staff in United Nations peace operations.

60. Financial implications would arise for the reappointment of international staff currently serving on an appointment of limited duration to a new mission appointment governed by the new United Nations contract, which would entail additional entitlements in the form of education grant, family-visit travel and repatriation grant. As at 30 June 2007, there were 3,339 international staff holding appointments of limited duration in field missions. Accordingly, the reappointment of affected staff under the new contract would result in additional costs estimated at $23.7 million per annum on the basis of current patterns of dependency and marital status of staff. The $23.7 million per annum comprises $3.8 million per annum relating to 9 special political missions and a total of $19.9 million per annum for 10 peacekeeping missions.

61. The budgets for special political missions are prepared on an annual basis from 1 January to 31 December. Thus, the requirements for the period from 1 July 2008 to 31 December 2008 would amount to $1.9 million.

VI. Conclusions and recommendations

62. **The General Assembly is requested:**

(a) **To approve the new contractual arrangements and the amendments to the Staff Regulations;**

(b) **In regard to peacekeeping operations, to note that the requirements arising from the change in contractual arrangements for staff from the 300 series to the 100 series would be reflected in the proposed 2008/09 budgets for peacekeeping operations;**

(c) **In regard to the programme budget, to approve the requirements arising from the change in contractual arrangements from the 300 series to the 100 series, amounting to $1.9 million for the period 1 July 2008 to 31 December 2008 under the provisions for special political missions of section 3, Political affairs, of the proposed programme budget for the biennium 2008-2009.**

Annex I

Proposed amendments to the Staff Regulations

Regulation 4.5

(a) Appointment of Under-Secretaries-General and of Assistant Secretaries-General shall normally be for a period of up to five years, subject to prolongation or renewal. Other staff members shall be granted appointments of either unlimited or fixed duration under such terms and conditions consistent with the present Regulations as the Secretary-General may prescribe.

(b) The Secretary-General shall prescribe which staff members are eligible for each type of appointment.

Regulation 9.1

(a) The Secretary-General may terminate the appointment of a staff member who holds a permanent appointment and whose probationary period has been completed if the necessities of service require abolition of the post or reduction of the staff, if the services of the individual concerned prove unsatisfactory or if he or she is, for reasons of health, incapacitated for further service.

The Secretary-General may also, giving the reasons therefor, terminate the appointment of a staff member who holds a permanent appointment:

(i) If the conduct of the staff member indicates that the staff member does not meet the highest standards of integrity required by Article 101, paragraph 3, of the Charter;

(ii) If facts anterior to the appointment of the staff member and relevant to his or her suitability come to light that, if they had been known at the time of his or her appointment, should, under the standards established by the Charter, have precluded his or her appointment.

No termination under subparagraphs (i) and (ii) shall take place until the matter has been considered and reported on by a special advisory board appointed for that purpose by the Secretary-General.

Finally, the Secretary-General may terminate the appointment of a staff member who holds a permanent appointment if such action would be in the interest of the good administration of the Organization and in accordance with the standards of the Charter, provided that the action is not contested by the staff member concerned.

(b) The Secretary-General may terminate the appointment of a staff member with a fixed-term appointment prior to the expiration date for any of the reasons specified in paragraph (a) above, or for such other reason as may be specified in the letter of appointment.

(c) In the case of all other staff members, including staff members serving on a continuing, temporary or probationary appointment, the Secretary-General may, at any time, terminate the appointment if, in his or her opinion, such action would be in the interest of the good administration of the Organization and in accordance with the Charter, or for any of the reasons specified in paragraph (a) above.

Annex II

Annex III to the Staff Regulations: termination indemnity

Staff members whose appointments are terminated shall be paid an indemnity in accordance with the following provisions:

(a) Except as provided in paragraphs (b), (c) and (e) below and in regulation 9.3 (b), the termination indemnity shall be paid in accordance with the following schedule:

	Months of gross salary, less staff assessment, where applicable		
Completed years of service	*Permanent and continuing appointments*	*Indefinite appointments and probationary appointments (for the duration of the probationary period)*	*Appointments for a fixed duration exceeding six months*
Less than 1	Not applicable	Nil)	One week for each month
1	Not applicable	1)	of uncompleted service
2	3	1)	subject to a minimum of
3	3	2)	six weeks' and a
4	4	3)	maximum of three months'
5	5	4)	indemnity pay
6	6	5	3
7	7	6	5
8	8	7	7
9	9	9	9
10	9.5	9.5	9.5
11	10	10	10
12	10.5	10.5	10.5
13	11	11	11
14	11.5	11.5	11.5
15 or more	12	12	12

(b) A staff member whose appointment is terminated for reasons of health shall receive an indemnity equal to the indemnity provided under paragraph (a) of the present annex reduced by the amount of any disability benefit that the staff member may receive under the Regulations of the United Nations Joint Staff Pension Fund for the number of months to which the indemnity rate corresponds.

(c) A staff member whose appointment is terminated for unsatisfactory services or who for disciplinary reasons is dismissed for misconduct other than by summary dismissal may be paid, at the discretion of the Secretary-General, an indemnity not exceeding one half of the indemnity provided under paragraph (a) of the present annex.

(d) No indemnity payments shall be made to:

(i) A staff member who resigns, except where termination notice has been given and the termination date agreed upon;

(ii) A staff member who has a probationary or indefinite appointment that is terminated during the first year of service;

(iii) A staff member who has a temporary appointment for a fixed term that is completed on the expiration date specified in the letter of appointment;

(iv) A staff member who is summarily dismissed;

(v) A staff member who abandons his or her post;

(vi) A staff member who is retired under the Regulations of the United Nations Joint Staff Pension Fund.

(e) Staff members specifically engaged for conference and other short-term service or for service with a mission, or as experts, and staff members who are locally recruited for service in established offices away from Headquarters may be paid termination indemnity if and as provided in their letters of appointment.